

HOUSE BILL No. 1286

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-13-15.5.

Synopsis: Minimum employment requirement for EDGE credit. Eliminates, for taxable years beginning after December 31, 2009, the requirement that a taxpayer applying for the economic development for a growing economy (EDGE) tax credit to retain existing jobs in Indiana must employ at least 35 employees in Indiana.

Effective: January 1, 2010 (retroactive).

Borrer, Messmer, Clere

January 12, 2010, read first time and referred to Committee on Rules and Legislative Procedures.

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Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

HOUSE BILL No. 1286

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-13-15.5, AS AMENDED BY P.L.137-2006,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2010 (RETROACTIVE)]: Sec. 15.5. This section applies
4 to an application proposing to retain existing jobs in Indiana. After
5 receipt of an application, the corporation may enter into an agreement
6 with the applicant for a credit under this chapter if the corporation
7 determines that all the following conditions exist:

8 (1) The applicant's project will retain existing jobs performed by
9 the employees of the applicant in Indiana.

10 (2) The applicant is engaged in research and development,
11 manufacturing, or business services, according to the NAICS
12 Manual of the United States Office of Management and Budget.

13 (3) The average compensation (including benefits) provided to the
14 applicant's employees during the applicant's previous fiscal year
15 exceeds the greater of the following:

16 (A) If there is more than one (1) business in the same NAICS
17 industry sector as the applicant's business in the county in

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which the applicant's business is located, the average compensation paid during that same period to all employees working in that NAICS industry sector in that county multiplied by one hundred five percent (105%).

(B) If there is more than one (1) business in the same NAICS industry sector as the applicant's business in Indiana, the average compensation paid during that same period to all employees working in that NAICS industry sector throughout Indiana multiplied by one hundred five percent (105%).

(C) The compensation for that same period corresponding to the federal minimum wage multiplied by two hundred percent (200%).

(4) **For taxable years beginning before January 1, 2010**, the applicant employs at least thirty-five (35) employees in Indiana.

(5) The applicant has prepared a plan for the use of the credits under this chapter for:

(A) investment in facility improvements or equipment and machinery upgrades, repairs, or retrofits; or

(B) other direct business related investments, including but not limited to training.

(6) Receiving the tax credit is a major factor in the applicant's decision to go forward with the project, and not receiving the tax credit will increase the likelihood of the applicant reducing jobs in Indiana.

(7) Awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data.

(8) The applicant's business and project are economically sound and will benefit the people of Indiana by increasing or maintaining opportunities for employment and strengthening the economy of Indiana.

(9) The communities affected by the potential reduction in jobs or relocation of jobs to another site outside Indiana have committed local incentives with respect to the retention of jobs in an amount determined by the corporation. For purposes of this subdivision, local incentives include, but are not limited to, cash grants, tax abatements, infrastructure improvements, investment in facility rehabilitation, construction, and training investments.

(10) The credit is not prohibited by section 16 of this chapter.

(11) If the business is located in a community revitalization enhancement district established under IC 36-7-13 or a certified technology park established under IC 36-7-32, the legislative

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1 body of the political subdivision establishing the district or park
2 has adopted an ordinance recommending the granting of a credit
3 amount that is at least equal to the credit amount provided in the
4 agreement.

5 SECTION 2. [EFFECTIVE JANUARY 1, 2010 (RETROACTIVE)]
6 **(a) IC 6-3.1-13-15.5, as amended by this act, applies only to taxable**
7 **years beginning after December 31, 2009.**

8 **(b) This SECTION expires January 1, 2013.**

9 SECTION 3. **An emergency is declared for this act.**

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